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Attorneys for Plaintiff
Natalie Stromme

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

NATALIE STROMME, an individual,
Plaintiff,

vs.

LEGAL RECOVERY LAW OFFICES, a
corporation, and **ANDREW P. RUNDQUIST**
an individual, and **CAPITAL ONE**
SERVICES, a limited liability company,
Defendant.

Case No.: '11CV2608 BEN JMA

COMPLAINT FOR DAMAGES

DEMAND FOR A JURY TRIAL

Plaintiff, Natalie Stromme, alleges the following:

INTRODUCTION

1. Legal Recovery Law Offices, and its agents, are debt collectors that used false and misleading statements in an attempt to collect a debt from plaintiff. By doing so, plaintiff was subjected to actual damages in the form of monetary and non-monetary damages directly related to the illegal debt collection efforts. Also, Legal Recovery Law Offices and its agents, acting as an agent for CAPITAL ONE Services, demanded unreasonable debt repayment terms that violated the "Credit CARD Act of 2009", an amendment to the federal "Truth In Lending Act".

PARTIES

2. Natalie Stromme ("Plaintiff") is, and at all times herein mentioned was, a natural person residing in the State of California, County of Los Angeles.

3. Legal Recovery Law Offices ("LRLO") is, and at all times herein mentioned was, a corporation which lawfully conducts business in the State of California. LRLO is a debt collection law firm whose conduct is regulated by the state and federal Fair Debt Collection Practices Act codified under California Civil Code 1788 *et seq* and Title 15 USC 1692 *et seq*, respectively ("the state and federal FDCPA").

4. ANDREW P. RUNDQUIST ("RUNDQUIST") is, and at all times herein mentioned was, an attorney employed by LRLO as a debt collector. RUNDQUIST is the debt collector who knowingly and willingly violated the state and federal law while attempting to collect a debt from Plaintiff. These actions were ratified by LRLO and he was working as an agent of LRLO when he committed said illegal conduct, and LRLO ratified said illegal conduct.

5. CAPITAL ONE SERVICES, LLC ("CAPITAL ONE") is corporation who hired RUNDQUIST and LRLO to collect debt on their behalf. Acting as CAPITAL ONE's agent, and during the course and scope of their representation of CAPITAL ONE, RUNDQUIST and LRLO used conduct that violated law, thereby subjecting CAPITAL ONE to liability.

6. CAPITAL ONE, RUNDQUIST and LRLO are collectively referred to as "Defendants" except as otherwise stated. RUNDQUIST and LRLO will be collectively referred to as "LRLO Defendants". As to each count under "causes of action", the term "defendant(s)" refer to the specific defendant/defendants specified under each count in brackets under the title of the cause of action.

7. Plaintiff will file an amended complaint if the true names and capacities of other now unknown defendants, whether individual, corporate, associate, or otherwise become known to plaintiff.

JURISDICTION

8. Jurisdiction of this court arises pursuant to 28 U.S.C. § 1331, 15 U.S.C. § 1692(k), and 28 U.S.C. § 1367 for supplemental state claims.

9. This action arises out of the defendants' violations of the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq. ("FDCPA") and the Rosenthal Fair Debt Collection Practices Act, California Civil Code §§ 1788-1788.32 ("Rosenthal Act").

10. Because the defendants do business within the State of California, personal jurisdiction is established.

VENUE

11. Venue is proper pursuant to 28 U.S.C. § 1391.

12. At all times relevant, the defendants conducted business within the State of California.

FACTUAL ALLEGATIONS

13. On or about May 25th, 2011 LRLO filed suit against plaintiff in the County of Los Angeles, case number 11K09324 demanding the amount of \$5,329.73.

14. At no time was plaintiff ever personally served with process of the summons and complaint in case number 11K09324.

15. LRLO defendants performed a "substitute service" on plaintiff's roommate, Tyler Allumbaugh. This service was invalid under California law.

16. On or about July 22nd, 2011, defendants requested default judgment against plaintiff premised on the defective substitute service.

17. Plaintiff was not made aware by defendant of the entry to default filed against her.

18. On or about June 2011 plaintiff hired Credit Solutions, a debt resolution company, to attempt negotiations on the matter with LRLO. Credit Solutions obtained a power of attorney to communicate with LRLO on plaintiff's behalf.

19. On or about July 25th, 2011, Credit Solutions received the following information

1 on behalf of plaintiff by LRLO Defendants in regards to amounts owed and due:

- 2 ➤ On 01/10/11 LRLO reported the current balance as \$7757.54
- 3 ➤ On 02/11/11 LRLO reported the current balance as \$8800.54
- 5 ➤ On 06/28/11 LRLO reported the current balance as \$9143.72

6 20. The balance on the account LRLO was attempting to collect increased \$1,043
7 over the course of only 32 days (between 1/10/2011 – 2/11/2011). The debt LRLO was
8 attempting to collect increased an additional \$43.18 over the next 137 days (between
9 2/11/2011 – 6/28/2011).

10 21. In the complaint filed by defendants against plaintiff, defendant's prayer for relief
11 specifically did not request interest because it knew it did not have the right to do so.

12 22. This representation of an owed and due balance, with an ever fluctuating
13 interest rate, is a materially false characterization of the debt because it distorts the
14 amount of the debt allegedly owed, and, consequently, violates 15 U.S.C. § 1692e,
15 1692e(10), 15 U.S.C. § 1692f, 1692f(1), and Cal. Civ. Code § 1788.17.

16 23. LRLO has been sued on numerous occasions for charging illegal interest on
17 debt. A small sample of just the suits in this district are as follows : *Morris v. Legal*
18 *Recovery Law Offices* 3:10-cv-02156-JM -POR (SD C.A. 2010), *Adler v. Legal*
19 *Recovery Law Offices* 3:10-cv-01778-BEN-BLM (SD C.A. 2010), *Guo v. Mark Welsh*
20 *d/b/a Legal Recovery Law Offices* 3:10-cv-01918-L –RBB (SD C.A. 2010), *Uvieghara v.*
21 *Legal Recovery Law Offices and CAPITAL ONE* 3:11-cv-02216-IEG-CAB (SD C.A.
22 2011) See Also, *Sarabi v. Legal Recovery Law Offices and CAPITAL ONE* 3:10-cv-
23 01779-W-WVG (SD C.A. 2010) [charging fees not owed].

24 24. On or about June 2011, plaintiff personally contacted LRLO and spoke with a
25 female that answered the phone in order to resolve the issue on her own behalf. Plaintiff
26 explained that she wanted to negotiate the debt. The female representative stated the
27 amount owed was \$9143.72. Plaintiff inquired as to why she was being sued for \$5,000
28 and they were demanding \$9,000 to stop the lawsuit. Plaintiff was told that it was

1 because of fees and other charges that were added to the debt.

2 25. The result of defendant's demands plaintiff was left in a position where she felt
3 that she would have to pay an amount nearly \$4,000 over and above what she owed at
5 a 10% interest rate because the illegal amount that defendant was attempting to collect
6 was less than it would cost to hire an attorney and pay the court fees to defend herself
7 against the illegal amount being collected by defendant.

8 26. Defendant's conduct described above left plaintiff with the sense of helplessness
9 and hopelessness. Plaintiff describes feeling "lost". As a result, plaintiff began to suffer
10 from depression, anxiety, loss of focus, loss of sleep and emotional distress. At all times
11 during the events described herein, plaintiff was a student and the effects of LRLO
12 defendant's actions disrupted plaintiff's school and work life. Plaintiff also suffered from
13 anxiety over the possibility of having to move a planned wedding since LRLO
14 defendant's were going to attempt to collect an amount of money far above what was
15 owed and under repayment terms that would leave her financially ruined if she
16 attempted to abide by the proposed terms set by LRLO defendants.

17 27. On or about August 3rd, 2011, attorney for plaintiff contacted LRLO, by speaking
18 with RUNDQUIST, regarding the lack of service effectuated on plaintiff. The following
19 summarizes the conversation between RUNDQUIST, acting agent for LRLO, and
20 attorney for plaintiff:

- 21 ➤ Plaintiff's attorney identified the account by giving RUNDQUIST case number
- 22 "11K09324" and stated it was from Los Angeles County.
- 23 ➤ With that information, RUNDQUIST found a file.
- 24 ➤ Rundquist informed plaintiff's attorney that the account was a credit card
- 25 account owing to CAPITAL ONE. The debtor was Natalie Stromme.
- 26 ➤ RUNDQUIST stated service of process was effectuated on Tyler Allumbaugh.
- 27 ➤ RUNDQUIST stated that multiple attempts were made to serve plaintiff prior
- 28 to serving Allumbaugh but no one was home. He asserted that made service

1 effective.

2 ➤ RUNDQUIST stated erroneously that service is effectuated if the plaintiff
3 knows about the suit regardless of the method of service.

5 ➤ RUNDQUIST agreed to give plaintiff two weeks to file an answer on Los
6 Angeles County civil case number 11K09324.

7 ➤ The call was terminated.

8 28. Plaintiff's attorney then called RUNDQUIST back minutes later to obtain a
9 balance allegedly owed. The following is a summary of the conversation:

10 ➤ RUNDQUIST stated notes show that Credit Recovery Services was trying to
11 negotiate a settlement but LRLO's offer was never accepted.

12 ➤ RUNDQUIST stated the same terms would be offered, but no other
13 repayment terms would be permitted.

14 ➤ RUNDQUIST stated that the balance owed on the account was \$9,143.00. He
15 stated that plaintiff could pay 20% down and make 200 dollar a month
16 payments with 10% interest. The initial payment would have to be \$1,800.

17 ➤ RUNDQUIST stated in order to settle, plaintiff would have to agree to a
18 conditional default so if payments were missed, defendant could seek default
19 judgment ex parte.

20 29. The terms of this repayment plan are not a reasonable method of repayment of
21 a debt as required by the Truth and Lending Act, as modified by the Credit CARD Act of
22 2009 (15 U.S.C. 1601 *et. seq*).

23 30. The requirement that plaintiff agree to a conditional default so if payments were
24 missed defendant could seek default judgment ex parte, is not a reasonable method of
25 repayment of a debt as required by the Truth and Lending Act, as modified by the Credit
26 CARD Act of 2009 (15 U.S.C. 1601 *et. seq*).

27 31. After Plaintiff was made aware of the additional time to respond and the
28 repayment settlement offer, plaintiff inquired of her attorney why \$4,000 dollars was

1 added to the credit cards final balance and the balance from the lawsuit.

2 32. On or about August 3rd, 2011, attorney for plaintiff e-mailed LRLO defendants
3 the following:

4 Andrew:

5 Thanks for your time today in regards to this matter. I do
6 have a final concern that was brought to my attention by Ms.
7 Stromme that I hope you can clarify. My client tells me that
8 the complaint is in the amount of \$5,000 and maybe some
9 change. You indicated to me on the phone that you are
10 demanding \$9,143. What is the amount owed and please
11 break that down for me?

12 As you surely know, any attempt to collect ANY amount
13 (including interest, attorney fees, collection costs, or
14 expenses) not authorized by the agreement creating the
15 debt is a violation of 15 Title 1692f(1) and triggers a violation
16 of section 1692(e)(2) and California Civil Code section
17 1788.17. Please explain to me any variances between the
18 cost requested in the suit and the cost demanded to me on
19 the phone today. Please also provide supporting
20 documentation that those amount [sic] can be requested
21 under the agreement. Thank you for your immediate
22 attention to this matter.

23 33. On or about August 4th, 2011, LRLO defendants, by and through Rundquist,
24 replied with the follow:

25 *ok--it seems I was looking at the incorrect "Natalie Stromme"*
26 *file when I spoke with you yesterday. Per the complaint, the*
27 *principal balance is \$5329.73 and plaintiff's court costs are*
28 *\$289.50 (filing plus service). The available monthly payment*
plan is a down payment of \$1100 due within 30 days and
then monthly payments of \$125.00/m until the balance is
paid in full with interest accruing at 10% on the declining
principal balance. The settlement agreement would need to
be a stipulation for conditional entry of judgment where upon
the defendant's breach of the payment plan and non-cure,
plaintiff would be allowed to proceed ex parte for the full
balance plus its costs and reasonable attorneys fees, minus
whatever payments have been made.

34. LRLO defendants never cited authority under the original agreement to charge
interest in the amount of 10% on the declining principal balance.

35. Moreover, in violation of state and federal FDCPA, this statement provided by
LRLO defendants was a lie. By way of demonstration, in order to believe LRLO
defendant's statement are true, one would have to believe:

- As RUNDQUIST stated in this email, Defendants are collecting debts against two people named "Natalie Stromme"
- Both people named "Natalie Stromme" had CAPITAL ONE credit cards
- Both people named "Natalie Stromme" hired Credit Solutions to negotiate their debt with Defendants
- Both people named "Natalie Stromme" were sued by defendants in Los Angeles Superior Court
- Both people named "Natalie Stromme" lived with a male named "Tyler Allumbaugh" who was served process on "Natalie Stromme"'s behalf
- Default was requested by Defendants as against both "Natalie Strommes"
- Finally, and most coincidental of all, both people named "Natalie Stromme" shared Los Angeles County Civil Case number 11K09324.

36. In addition to being an untrue statement, the terms of this repayment plan are not a reasonable method of repayment of a debt as required by the Truth and Lending Act, as modified by the Credit CARD Act of 2009.

37. The unreasonable repayment terms, including the requirement of conditional default to enter into a repayment agreement, is an unfair debt collection methods under the 15 U.S.C. § 1692 *et seq* and California Civil Code section 1788.17.

38. Further evidence that defendant was attempting to collect an amount more than what plaintiff actually owed is evidenced by the amount defendant was demanding during the last contact between the defendant and Credit Solutions is also the amount defendant was seeking during the discussion with plaintiff's attorney.

39. When plaintiff attempted to arrange for debt repayment, defendants attempted to

1 make plaintiff pay more money than she actually owed, in violation of 15 U.S.C. § 1692
 2 *et seq.* To relieve herself from this illegal burden, plaintiff hired Credit Solutions to
 3 negotiate a fair and legal repayment method. When that failed, plaintiff hired an attorney
 5 who was successful in lowering the balance to what was owed but unsuccessful in
 6 negotiating a repayment term that was not in violation of 15 U.S.C. § 1692 *et seq*
 7 (*FDCPA*) and 15 U.S.C. § 1600 *et seq* (*Truth In Lending*). The costs for these services
 8 are actual damages incurred by the Plaintiff.

9 **CAUSES OF ACTION**

10 **COUNT 1**

11 ***ROSENTHAL FAIR DEBT COLLECTION PRACTICES ACT (ROSENTHAL ACT)***

12 ***CAL. CIV. CODE §§ 1788-1788.32***

13 ***(AS AGAINST LRLO AND RUNDQUIST)***

14 40. Plaintiff reaffirms and realleges paragraphs above herein as if specifically set
 15 forth more fully herein below.

16 41. Defendant is a “debt collector” as defined by California Civil Code § 1788.2(c).

17 42. Plaintiff is a “person” as defined by California Civil Code § 1788.2(g).

18 43. This case involves money, property or their equivalent, due or owing or alleged
 19 to be due or owing from a natural person by reason of a consumer transaction. As
 20 such, this action arises out of a “consumer debt” as those terms are defined by
 21 California Civil Code § 1788.2(f).

22 44. The foregoing acts and omissions constitute numerous and multiple violations of
 23 the Rosenthal Act, including but not limited to each and every one of the above-cited
 24 provisions of the Rosenthal Act, Cal. Civ. Code §§ 1788-1788.324.

25 45. In addition to the foregoing acts, examples of specific violations of the Rosenthal
 26 Act are:

- 27 a. Defendants violated 1788.10(f) by telling plaintiff she owed more than she
 28 did, which is an untrue statement.

b. Defendants violated 1788.13(e) by making false representations that the consumer debt may be increased by the addition fees when, in fact, such fees or charges may not legally be added to the existing obligation;

46. As a result of each and every violation of the Rosenthal Act, the plaintiff is entitled to any actual damages pursuant to Cal. Civ. Code § 1788.30(a); statutory damages for a knowing or willful violation in the amount up to \$1,000.00 pursuant to Cal. Civ. Code § 1788.30(b); and reasonable attorney's fees and costs pursuant to Cal. Civ. Code § 1788.30(c) from each and every defendant, jointly and severally.

COUNT 2

VIOLATION OF FEDERAL LAW INCORPORATED INTO CALIFORNIA LAW

CAL. CIV. CODE 1788.17

(AS AGAINST LRLO AND RUNDQUIST)

47. Plaintiff reaffirms and realleges paragraphs above herein as if specifically set forth more fully herein below.

48. California Civil Code section 1788.17 provides any entity included in the class of entities whose debt collection activities are regulated under California Civil Code section 1788 *et seq*, as defined by California Civil Code § 1788.2(c), have violated California Civil Code section 1788.17 when particular sections of Title 15 USC 1692 *et seq* are violated. If, under Civil Code section 1788.17 when particular sections of Title 15 USC 1692 *et seq* are violated, the plaintiff can claim additional damages under 1788.17 as permitted under Title 15 USC 1692 *et seq* in addition to damages available under California law for violation of California Civil Code section 1788 *et seq*. Count two of this complaint alleges damages under California Civil Code section 1788.17 for violation of Title 15 USC 1692.

49. Defendant is included in the class of entities whose debt collection activities are regulated under California Civil Code section 1788 *et seq*, as defined by California Civil Code § 1788.2(c)

1 50. Plaintiff is a "person" as defined by California Civil Code § 1788.2(g).

2 51. This case involves money, property or their equivalent, due or owing or alleged
3 to be due or owing from a natural person by reason of a consumer transaction. As
5 such, this action arises out of a "consumer debt" as those terms are defined by
6 California Civil Code § 1788.2(f).

7 52. The foregoing acts and omissions constitute numerous and multiple violations of
8 the Title 15 USC 1692 *et seq*, including but not limited to each and every one of the
9 above cited provisions of 15 U.S.C. § 1692 *et seq*.

10 53. In addition to the foregoing acts, examples of specific violations of the FDCPA
11 as incorporated under California Civil Code section 1788.17 are:

12 a. Defendants violated 15 U.S.C. § 1692g(a)(1) for failing to state a complete
13 and reasonable disclosure of accruing and unknown charges the
14 Defendants claim is owed. More specifically, Defendants were attempting
15 to collect an increased \$1,043 in unknown charges over the course of only
16 32 days (between 1/10/2011 – 2/11/2011) and to collect increased
17 additional \$43.18 unknown charges over the next 137 days (between
18 2/11/2011 – 6/28/2011).

19 b. Defendants violated 15 U.S.C. § 1692d which prohibits conduct that would
20 harass, oppress or abuse *any* person in connection with a debt in the
21 following ways:

22 i. Requiring plaintiff to take conditional default in order to reestablish
23 repayment terms with defendant, and

24 ii. Demanding repayment terms in violation of federal law, specifically,
25 the Truth In Lending Act.

26 c. Defendants violated 15 U.S.C. § 1692f by using unfair and
27 unconscionable means to collect or attempt to collect a debt, specifically:

28 ///

- i. Demanding payment in an unreasonable amount in violation of the Truth in Lending Act (15 U.S.C. § 1601 *et. seq.*);
- ii. Requiring plaintiff to take conditional default in order to reestablish repayment terms with defendant;
- iii. Failing to state a complete and reasonable disclosure of accruing and unknown charges the Defendants claim is owed. More specifically, Defendants were attempting to collect an increased \$1,043 in unknown charges over the course of only 32 days (between 1/10/2011 – 2/11/2011) and to collect increased additional \$43.18 unknown charges over the next 137 days (between 2/11/2011 – 6/28/2011); and
- iv. Demanding interest not owed.

d. Defendants violated 15 U.S.C. § 1692e by misrepresenting that defendants had the right to demand with 20% down and large monthly payments, when they were only permitted to demand payment pursuant to the terms of 15 USCS § 1666i-1(c).

54. As a result of each and every violation of the Title 15 USC 1692 *et seq*, the plaintiff is entitled to any actual damages pursuant to 15 U.S.C. § 1692k(a)(1); statutory damages in an amount up to \$1,000.00 pursuant to 15 U.S.C. § 1692k(a)(2)(A); and reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k(a)(3) from each and every defendant, jointly and severally, as incorporated under California Civil Code 1788.17.

COUNT 3

FAIR DEBT COLLECTION PRACTICES ACT (FDCPA)

15 U.S.C. §§ 1692 ET SEQ.

(AS AGAINST LRLO AND RUNDQUIST)

55. Plaintiff reaffirms and realleges paragraphs above herein as if specifically set

1 forth more fully herein below.

2 56. Defendants are "debt collectors" as defined by 15 USC 1692a(6).

3 57. Plaintiff is a "consumer" as defined by 15 USC section 1692c(d) and 15 USC
5 1692a(3).

6 58. These financial obligations were primarily for personal, family or household
7 purposes and are therefore a "debt" as that term is defined by 15 U.S.C. §1692a(5).

8 59. The foregoing acts and omissions constitute numerous and multiple violations of
9 the FDCPA, including but not limited to each and every one of the above cited
10 provisions of the FDCPA, 15 U.S.C. § 1692 *et seq.*

11 60. In addition to the foregoing acts, examples of specific violations of the FDCPA
12 are:

- 13 a. Defendants violated 15 U.S.C. § 1692g(a)(1) for failing to state a complete
14 and reasonable disclosure of accruing and unknown charges the
15 Defendants claim is owed. More specifically, Defendants were attempting
16 to collect an increased \$1,043 in unknown charges over the course of only
17 32 days (between 1/10/2011 – 2/11/2011) and to collect increased
18 additional \$43.18 unknown charges over the next 137 days (between
19 2/11/2011 – 6/28/2011).
- 20 b. Defendants violated 15 U.S.C. § 1692d which prohibits conduct that would
21 harass, oppress or abuse *any* person in connection with a debt in the
22 following ways:
 - 23 i. Requiring plaintiff to take conditional default in order to reestablish
24 repayment terms with defendant, and
 - 25 ii. Demanding repayment terms in violation of federal law, specifically,
26 the Truth In Lending Act.
- 27 c. Defendants violated 15 U.S.C. § 1692f by using unfair and
28 unconscionable means to collect or attempt to collect a debt, specifically:

- i. Demanding payment in an unreasonable amount in violation of the Truth in Lending Act (15 U.S.C. § 1600 *et. Seq.*);
- ii. Requiring plaintiff to take conditional default in order to reestablish repayment terms with defendant;
- iii. Failing to state a complete and reasonable disclosure of accruing and unknown charges the Defendants claim is owed. More specifically, Defendants were attempting to collect an increased \$1,043 in unknown charges over the course of only 32 days (between 1/10/2011 – 2/11/2011) and to collect increased additional \$43.18 unknown charges over the next 137 days (between 2/11/2011 – 6/28/2011); and
- iv. Demanding interest not owed.

d. Defendants violated 15 U.S.C. § 1692e by misrepresenting that defendants had the right to demand with 20% down and large monthly payments, when they were only permitted to demand payment pursuant to the terms of 15 USCS § 1666i-1(c).

61. As a result of each and every violation of the FDCPA, the plaintiff is entitled to any actual damages pursuant to 15 U.S.C. § 1692k(a)(1); statutory damages in an amount up to \$1,000.00 pursuant to 15 U.S.C. § 1692k(a)(2)(A); and reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k(a)(3) from each and every defendant, jointly and severally.

COUNT 4

Violation of the Truth in Lending Act or “TILA”

(AS AGAINST ALL DEFENDANTS)

62. Plaintiff reaffirms and realleges paragraphs above herein as if specifically set forth more fully herein below.

63. At all times relevant hereto, CAPITAL ONE regularly extended or offered to

1 extend consumer credit for which a finance charge is or may be imposed or which, by
2 written agreement, is payable in more than four installments, and is the person to whom
3 the transaction which is the subject of this action is initially payable, making CAPITAL
5 ONE a creditor within the meaning of TILA, 15 U.S.C. § 1602(f) and Regulation Z §
6 226.2(a)(17). All defendants in this case have undertaken steps to effectuate repayment
7 of debt allegedly incurred and owed to CAPITAL ONE.

8 64. The foregoing acts and omissions constitute numerous and multiple violations of
9 the TILA, including but not limited to each and every one of the above cited provisions
10 of the TILA, 15 U.S.C. § 1600 *et seq.*

11 65. As a result of each and every violation of the TILA, the plaintiff is entitled to
12 \$5,000.00 pursuant to 15 U.S.C. 1640; and reasonable attorney's fees and costs
13 pursuant to 15 U.S.C. 1640 from each and every defendant, jointly and severally.

14 66. Specifically, it was not reasonable for Defendants, acting on behalf of CAPITAL
15 ONE, to demand that Plaintiff pay a lump sum of \$1,800 and then followed by monthly
16 payments of \$200, in order to avoid being sued, and deny Plaintiff affordable repayment
17 options.

18 67. 15 U.S.C. 1600 *et seq* provides a card issuer, and those collecting on their
19 behalf, must use a reasonable method for estimating the minimum periodic payments
20 the consumer would be required to pay under the terms of the account.

21 68. The Truth In Lending Act provides three "safe harbor" repayment plans.
22 Defendant did not offer a repayment plan that was as favorable or more favorable to the
23 "safe harbor" repayment plans.

24 69. The requirement that plaintiff agree to a conditional default so if payments were
25 missed, defendant could seek default judgment *ex parte* is not a reasonable method of
26 repayment of a debt as required by the Truth and Lending Act, as modified by the Credit
27 CARD Act of 2009 (15 U.S.C. 1600 *et. seq*).

28 ///

1 70. Pursuant to 15 USC § 1666i-1(c), Defendants were not permitted to request
2 payment in the amount they did. By doing so, Defendants violated the Truth in Lending
3 Act. By hiring Defendants to act in the manner they did on their behalf, CAPITAL ONE
5 also violated the Truth In Lending Act.

6 71. Under 15 U.S.C. § 1640(a), it is not necessary to allege or to prove actual
7 damages to recover statutory damages.

8 **COUNT 5**

9 **NEGLIGENCE**

10 **(AS AGAINST LRLO AND RUNDQUIST)**

11 72. Plaintiff incorporates by reference the above paragraphs as though fully stated
12 herein below.

13 73. Defendants' outrageous, abusive and intrusive acts as described herein
14 constituted negligence.

15 74. Defendants negligently inflicted emotional distress.

16 75. Defendants breached a duty imposed and failed to exercise ordinary care.

17 76. Defendants owed Plaintiff a duty to refrain from unlawful debt collections
18 (California Civil Code §1788 et seq. and 15 U.S.C. § 1692) and unlawful debt
19 repayment demands (15 U.S.C. § 1601).

20 77. The breach of such duty proximately caused injury to Plaintiff.

21 78. The injury resulted from an occurrence the nature of which these statutes were
22 designed to protect Plaintiff from.

23 79. Plaintiff is a member of the class of persons the statutes were designed to
24 protect.

25 80. Defendants' conduct, as described herein, was wrongful conduct in that the
26 Defendants conducted their business in an abusive, oppressive, and harassing manner.

27 81. Defendants negligently trained, supervised, and retained, its employees and
28 agents.

1 82. Defendants' wrongful conduct as described herein actually and proximately
 2 caused the Plaintiff severe and serious emotional distress in that the Defendants
 3 wrongful conduct has caused harm as described above.

5 83. It is clearly foreseeable that Defendants' actions as described herein could
 6 cause harm, including severe and serious emotional distress.

7 84. As a direct and proximate result of Defendants' unlawful conduct, Plaintiff has
 8 suffered damages in an amount to be determined at trial. Defendants' wrongful conduct
 9 as described herein actually and proximately caused the Plaintiff's harm as noted
 10 above.

11 85. Defendants acted with oppression, and/or malice, thereby entitling Plaintiff to
 12 punitive damages in an amount to be determined at trial. Defendant acted in a
 13 despicable manner and acted with a conscious disregard to the rights of Plaintiff.

14 **PRAYER FOR RELIEF**

15 **WHEREFORE**, Plaintiff prays for judgment against Defendants as follows:

- 16 a. An award of actual damages pursuant to 15 U.S.C. § 1692k(a)(1);
- 17 b. An award of statutory damages of \$1,000.00 pursuant to 15 U.S.C. §
 18 1692k(a)(2)(A);
- 19 c. An award of costs of litigation and reasonable attorney's fees, pursuant to
 20 15 U.S.C. § 1692k(a)(3);
- 21 d. An award of actual damages pursuant to California Civil Code §
 22 1788.30(a);
- 23 e. An award of statutory damages of \$1,000.00 pursuant to Cal. Civ. Code §
 24 1788.30(b);
- 25 f. An award of costs of litigation and reasonable attorney's fees, pursuant to
 26 Cal. Civ. Code§ 1788.30(c).
- 27 g. An award of actual damages pursuant to California Civil Code § 1788.11;

28 ///

- 1 h. An award of statutory damages of \$1,000.00 pursuant to Cal. Civ. Code §
2 1788.11;
3 i. An award of costs of litigation and reasonable attorney's fees, pursuant to
5 Cal. Civ. Code§ 1788.11.
6 j. An award of statutory damages of \$5,000 in Statutory Damages Pursuant
7 to 15 U.S.C. 1640;
8 k. An award of costs of litigation and reasonable attorney's fees, pursuant to
9 15 U.S.C. 1640.
10 l. Actual damages under common law;
11 m. Punitive damages.
12 n. Such other and further relief that may be just and proper.

13 86. Pursuant to the seventh amendment to the Constitution of the United States of
14 America, the plaintiff is entitled to, and does hereby demand, a trial by jury as against all
15 defendants and as to all causes of action.

16
17 Dated this: **November 8, 2011**

18
19 **CROWLEY LAW GROUP**

20
21 /s/ Michael L. Crowley
22 Michael L. Crowley
23 Attorney for the Plaintiff
24 Natalie Stromme

25
26 **CROWLEY LAW GROUP**

27 /s/ Andre L. Verdun
28 Andre L. Verdun
Attorney for the Plaintiff
Natalie Stromme

DEMAND FOR JURY TRIAL

NOW COMES the plaintiff, Natalie Stromme, by and through her attorneys, Michael L. Crowley and Andre L. Verdun, who does hereby demand a trial by jury in the above-captioned matter.

Dated this: **November 8, 2011**

CROWLEY LAW GROUP

/s/ Michael L. Crowley
Michael L. Crowley
Attorney for the Plaintiff
Natalie Stromme

CROWLEY LAW GROUP

/s/ Andre L. Verdun
Andre L. Verdun
Attorney for the Plaintiff
Natalie Stromme

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

allie Stromme

DEFENDANTSLegal Recovery Law Offices, Inc., Andrew Rundquist, and
Capital One Services, LLC(b) County of Residence of First Listed Plaintiff Los Angeles

(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant San Diego

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE
LAND INVOLVED.

(c) Attorney's (Firm Name, Address, and Telephone Number)

Michael L. Crowley, Andre L. Verdun of Crowley Law Group
11 West A Street, Ste 925 San Diego, CA 92101

Attorneys (If Known)

'11CV2608 BEN JMA**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from another district (specify)
- ☐ 6 Multidistrict Litigation
- ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Title 15 USC 1692; Title 15 USC 1601; Cal. Civ. Code 1788; Cal. Civ. Code 1788.17, Negligence

Brief description of cause:
Defendants violated state and federal debt collection law and other laws in collection of debt.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ According to proof

CHECK YES only if demanded in complaint:
 JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

11/08/2011

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____